

HOTEL/MOTEL TAX FUND

There are three Hotel/Motel Room Occupancy tax levies in Guilford County. Guilford County levies a 3% countywide tax and the Cities of Greensboro and High Point levy 3% taxes within their city limits. The tax is levied on gross receipts from the rental of hotel and motel rooms.

Guilford County Levy

The proceeds of the 3% countywide levy are distributed 30% to the High Point Convention & Tourism Bureau and 70% to the Greensboro/Guilford County Tourism Development Authority. The Authority's proceeds are allocated 80% for travel and tourism promotion and 20% for specific tourist-related events or activities. The 20% allocation is further limited to a maximum of \$170,000 each year with any excess restricted to capital improvements and related debt service for the City of Greensboro. Those capital improvements are subject to joint approval of the Authority, Guilford County and the City of Greensboro.

From capital funds available in FY 02-03 and FY 03-04, \$950,000 was allocated to construction of the Coliseum Pavilion and \$500,000 was allocated to fund existing Coliseum debt service. \$1,200,000 was received in FY 02-03 and \$250,000 will be received in FY 03-04, a total of \$1,450,000. As of June 30, 2003, \$514,100 was available for other capital improvements. The balance plus future annual amounts restricted for capital improvements will fund future projects. Examples of previously funded capital improvements include seat risers for the SEC and arena locker room improvements.

Greensboro Levy

The proceeds of the 3% Greensboro levy are distributed 80% to the City of Greensboro and 20% to the Greensboro/Guilford County Tourism Development Authority. The Authority's proceeds are designated for travel and tourism promotion and tourism-related expenditures. The City's proceeds are designated for 1) the financing of renovation and expansion of the Coliseum Complex, 2) the financing of property acquisition in the vicinity of the Complex, 3) major maintenance of the Complex and 4) marketing (restricted to Coliseum rent subsidies). The rent subsidy allocation is limited to \$200,000 annually and is administered jointly by the Authority and the City.

- *Since its inception in FY 91-92 revenue has increased at an average annual rate of 8.2%, exceeding expectations.*
- *Although FY 01-02 Hotel/Motel Tax revenue declined by 7.7%, FY 02-03 revenue of \$2.62 million increased by 5.2% over the prior year*
- *FY 03-04 revenue is projected to increase by 1-2%*